

No. 4938

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
and
SWITZERLAND**

Exchange of notes constituting an agreement respecting the repayment of the debt by the United Kingdom Government to the Swiss Government on the liquidation of the European Payments Union. Paris and Berne, 6 May 1959

Official text: English.

Registered by the United Kingdom of Great Britain and Northern Ireland on 12 October 1959.

**ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD
et
SUISSE**

Échange de notes constituant un accord concernant le remboursement de la dette du Gouvernement du Royaume-Uni envers le Gouvernement suisse à la liquidation de l'Union européenne de paiements. Paris et Berne, 6 mai 1959

Texte officiel anglais.

Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 12 octobre 1959.

No. 4938. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE SWISS GOVERNMENT RESPECTING THE REPAYMENT OF THE DEBT BY THE UNITED KINGDOM GOVERNMENT TO THE SWISS GOVERNMENT ON THE LIQUIDATION OF THE EUROPEAN PAYMENTS UNION. PARIS AND BERNE, 6 MAY 1959

I

The Head of the United Delegation to the Organisation for European Economic Co-operation to the Director of the Swiss Federal Finance Administration

Sir,

Paris, May 6, 1959

I have the honour to refer to the Decision of the Council of the Organisation for European Economic Co-operation of the 30th of December, 1958, confirming the termination of the Agreement of the 19th of September, 1950,² for the Establishment of a European Payments Union at the close of business on the 27th of December, 1958; to the Agreement of the 16th of July, 1954,³ between the Government of the United Kingdom of Great Britain and Northern Ireland and the Swiss Government, concerning the repayment of part of the credits granted by the European Payments Union to the United Kingdom and by Switzerland to the Union; to the Exchange of Letters of the 16th of July, 1954,³ between the Head of the United Kingdom Delegation to the Organisation for European Economic Co-operation and the Swiss Delegate for Commercial Agreements; and to the Exchanges of Letters of the 29th of June, 1956,⁴ and the 31st of March, 1958,⁵ between the Head of the United Kingdom Delegation to the Organisation for European Economic Co-operation and the Director of the Swiss Federal Division of Commerce at Berne.

2. The Council of the Organisation for European Economic Co-operation has established by its Decision of the 30th of January, 1959, that, on the liquida-

¹ Came into force on 6 May 1959 by the exchange of the said notes.

² United Kingdom: "Miscellaneous No. 14 (1950)," Cmd. 8064.

³ United Nations, *Treaty Series*, Vol. 199, p. 197.

⁴ United Nations, *Treaty Series*, Vol. 252, p. 362.

⁵ United Nations, *Treaty Series*, Vol. 313, p. 358.

tion of the European Payments Union in accordance with the provisions of Annex B to the Agreement of the 19th of September, 1950, there is a debt of Nineteen million seven hundred and fifty-six thousand and fifty-six units of account due from the United Kingdom Government to the Government of Switzerland.

3. Representatives of the United Kingdom and Swiss Governments have discussed the terms on which the United Kingdom should repay to Switzerland the debt referred to in paragraph 2 above. As a result of these discussions the United Kingdom Government propose that :

- (a) the debt of Nineteen million seven hundred and fifty-six thousand and fifty-six units of account shall be converted into Swiss Francs at the following rate of exchange, namely, one unit of account equals 4.37282 Swiss Francs ;
- (b) the debt of Eighty-six million three hundred and eighty-nine thousand six hundred and seventy-six Swiss Francs and eighty centimes so established (hereinafter referred to as "the total debt") shall be deemed to comprise—
 - (i) an amount of Fifty million sixteen thousand three hundred and fifteen Swiss Francs and sixteen centimes which is equivalent to the amount outstanding under the Agreement of the 16th of July, 1954, and the Exchange of Letters of the 29th of June, 1956, excluding the sum of the instalments, the payment of which was suspended under the Exchange of Letters of the 31st of March, 1958 ;
 - (ii) an amount of Twenty-seven million seven hundred and eight-four thousand eight hundred and ninety-eight Swiss Francs and twenty-eight centimes which is equivalent to the sum of the instalments suspended under the Exchange of Letters of the 31st of March, 1958 ; and
 - (iii) a balance of Eight million five hundred and eighty-eight thousand four hundred and sixty-three Swiss Francs and thirty-six centimes.

4. The United Kingdom Government further propose that :

- (a) notwithstanding the provisions of Article V of the Agreement of the 16th of July, 1954, and of sub-paragraph (d) of paragraph 3 of the Exchange of Letters of the 31st of March, 1958, the total debt shall be repaid by the United Kingdom Government to the Swiss Government in two instalments of Twenty-eight million seven hundred and ninety-six thousand five hundred and fifty-eight Swiss Francs and ninety-three centimes on the 15th of July, 1959, and the 15th of January, 1960, and a final instalment of Twenty-eight million seven hundred and ninety-six thousand five hundred and fifty-eight Swiss Francs and ninety-four centimes on the 30th of June, 1960 ;
- (b) each of the aforementioned instalments shall be deemed to repay a proportionate amount of each of the component parts of the total debt referred to in sub-paragraph (b) of paragraph 3 of this Note.

5. Any balance of the total debt from time to time outstanding shall bear interest commencing from the 16th of January, 1959, and payable in Swiss Francs on the dates specified in paragraph 4 of this Note in accordance with the following provisions :

- (a) in respect of those parts of the total debt referred to in sub-paragraph (b) (i) and (ii) of paragraph 3 of this Note at the rate of three per cent per annum ;
- (b) in respect of that part of the total debt referred to in sub-paragraph (b) (iii) of paragraph 3 of this Note at the rate of two and a half per cent per annum.

6. If the foregoing proposals are acceptable to the Swiss Government I have the honour to suggest that this Note together with your reply in that sense should be regarded as constituting an Agreement between the two Governments in this matter which shall enter into force on this day's date.

I have, &c.

Hugh ELLIS-REES

II

The Director of the Swiss Federal Finance Administration to the Head of the United Kingdom Delegation to the Organisation for European Economic Co-operation

Sir,

Berne, May 6, 1959

I have the honour to acknowledge the receipt of your Note of 6th May, 1959, reading as follows :

[See note I]

In reply, I have the honour to inform you that the Swiss Government agrees with the contents of your Note and will regard that Note and this reply as constituting an Agreement between the two Governments in this matter.

I avail, &c.

V. UMBRIGHT